

**VOLUNTARY EARLY RETIREMENT AUTHORITY (VERA) /**  
**VOLUNTARY SEPARATION INCENTIVE PAYMENT (VSIP)**  
**FACT SHEET**

1. The following information is provided to assist in understanding the processes involved in administering the VERA/VSIP program at AFDW. Receipt of a buyout or an early retirement is not an employee entitlement. Use of the VERA/VSIP is to avoid or minimize the need for civilian employee involuntary separations when the workforce is reduced (downsizing) or to restructure the workforce to meet mission objectives without reducing the overall number of personnel (restructuring).

2. **VERA/VSIP AUTHORITY:** Final approval of an incentive rests with the Installation Commander, Tenant Commander, or Activity Head and is subject to meeting Department of Defense Civilian Transition Program approval criteria.

3. **WHO MAY APPLY:** Unless otherwise stated, all permanent employees who are serviced by the (Base) Civilian Personnel Section and meet the eligibility requirements below.

4. **VSIP ELIGIBILITY CRITERIA:**

a. Employees must be US citizens (defined in 5 USC 9902(i)) and:

- 1) Must be serving under an appointment without time limitation.
- 2) Must have been employed by the DoD continuously for at least 12 months.

b. Employees meeting the following criteria are **ineligible** for VSIP:

1) Is a reemployed annuitant under subchapter III of 5 U.S.C. chapter 83 or chapter 84, or any other retirement system for employees of the Federal Government;

2) Is or would be eligible for disability retirement under any Federal employee retirement system;

3) Is a non-compensated employee;

4) Has accepted a position in another Federal agency;

5) Has received a specific notice of reduction in force separation;

- 6) Has declined to relocate with their position; or declined a transfer of function;
  - 7) Has received a decision notice of involuntary separation for misconduct or unacceptable performance; or
  - 8) Has previously received a civilian separation incentive payment.
- c. Absent a waiver, an employee is ineligible for a buyout if he or she:
- 1) Is covered by a written service agreement resulting from Permanent Change of Station or training, or is in receipt of a recruitment or relocation bonus; or
  - 2) Is receiving a retention allowance; is occupying a position for which special salary rates are approved; or is occupying a position defined as "hard to fill."

**5. VERA ELIGIBILITY:**

- a. Must have 20 years of retirement-creditable service at age 50, or 25 years of service at any age. Applicants for early retirement who are covered by the Civil Service Retirement System (CSRS) are reminded that their annuity will be reduced 1/6 OF 1 PERCENT FOR EACH FULL MONTH they are under age 55, or about 2% for each year under 55 years of age.
- b. Must be continuously employed within the DoD for more than 30 days before the date on which the determination to conduct a workforce reduction or restructuring action has been approved.
- c. Must be serving under an appointment without time limitation.
- d. Must not be in receipt of a decision of involuntary separation for misconduct or unsatisfactory performance.

**6. VERA/VSIP APPROVAL CRITERIA:**

Downsizing VERA/VSIP can only be approved in cases where it will avoid the need for involuntary separation. Incentives may not be approved to avoid downgrades or position authorization cuts that will not result in a separation. Bottom line: Approvals must be linked with a projected separation.

**7. PROCEDURES:**

Downsizing VERA/VSIP - A mock RIF or review of affected positions is conducted to determine the impact of projected manpower cuts or downgrade actions. The process of linking incentive applicants with saving a separating employee will be conducted as follows:

1) The initial consideration for incentive applicants is conducted within the organization that has incentive authority and where the projected RIF action originates.

2) Where a reduction may cause a separation after a series of displacements, incentive offers will be made in an order that minimizes RIF impact. Offers will start with the surplus series and grades within the affected organization and follow progressively through the displacement chain.

3) The search may be expanded organizationally to all units within the parent organization that has incentive approval authority.

*If within the above steps* the number of incentive applicants exceeds the number that may be approved, incentives will be offered in the following order: 1) employees eligible for optional retirement; 2) employees eligible for early retirement; and 3) employees requesting resignation. Within each group the order will be further determined by seniority based on Service Computation Date (SCD) for leave.

8. The separation incentive will be paid in a lump sum or by installment (less FICA/Medicare taxes, Federal Income Tax Withholding and applicable state and local taxes) and shall be the lesser of \$25,000 or an amount equal to the amount the employee would be entitled to receive for severance pay. There are two installment options:

a. Bi-weekly payments in equal amounts. The bi-weekly installment payments may not extend beyond one year from the date of separation.

b. One half of the buyout six months following separation, and the remaining half six months later.

9. By receiving the incentive, employees are advised of the following:

a. Employees must repay the full incentive if employed by the federal government (including employment in non-appropriated fund instrumentalities or with an agency of the United States through a personal services contract with the United States) within 5 years after separation;

b. Absent an exception, DoD employees may not be reemployed by the DoD in any capacity for a 12-month period beginning on the effective date of separation;

c. Employees are not eligible to participate in the DoD Priority Placement Program (PPP);

d. Employees are not eligible for any other offers of separation pay.

10. There will be an application withdrawal cutoff date associated with this program offering. Any employee who submits a VERA/VSIP application may not later withdraw the application – it will be **irrevocable** unless he/she can provide management with proof of an extreme hardship or extraordinary circumstances. Few exceptions will be made. This is imperative in order to avoid major program disruption. We encourage each applicant to thoroughly consider his or her decision prior to submitting an application. Please note that employees who are not approved for VERA/VSIP will **not** be required to separate.

11. For additional information on separation incentives, please visit our website at: [www.afdw.af.mil](http://www.afdw.af.mil) and click on the “Civilian Force Restructuring” icon or call the AFDW Civilian Personnel Office at (240) 612-5868.